Note: Bolded dates below correspond to the shapes on the gray bars at the top of Exhibit 3 and indicate initial decisions and adjustments to those decisions.

Service Appropriateness (access to services, authorization of services, medical necessity, and amount of services provided)

S1 – July 2006: Department of Health and Human Services (DHHS) releases access to care flow chart for consumers. Intent is to describe how consumers access new services based on severity of condition and Medicaid eligibility. Goal is to efficiently guide consumers to appropriate services. Unintended consequence is many providers interpret flow chart to mean all new consumers should receive individual Community Support services. Flow chart is revised in **July 2007** to ensure consumers are directed to other services, not just individual Community Support services.

S2 – August 2006: DHHS announces prior authorizations are not required for first 30 days of individual Community Support services. As a result of a "focused review" of individual Community Support utilization that was mandated by the DHHS Secretary, a new individual Community Support definition that limits the number of unmanaged individual Community Support hours for adults and children is announced in **April 2007** and implemented in June 2007. Legislation passes in **July 2008** and is implemented in August 2008 that requires all individual Community Support requests receive prior authorization and increases qualification levels for providers of individual Community Support services.

Oversight (efforts to regulate and manage the mental health system)

O1 – February 2007: DHHS Secretary announces a "focused review" of individual Community Support services. Review includes an audit of the 167 providers with the highest billings of individual Community Support services. Intent is to ensure providers are appropriately providing individual Community Support services. By the end of March 2007, DHHS conducts audit of 167 providers. Provider sanctions include paybacks, additional training, endorsement reviews, and other disciplinary actions. Audits retroactively control costs by making providers pay back individual Community Support claims that are not fully documented. A second round of audits is completed in April 2007. Between August and **September 2007**, DHHS and Local Management Entities conduct Post Payment Reviews to determine whether individual Community Support services were medically necessary and for the appropriate amount. Reviews find providers received more than $60 million for 4.7 million units of individual Community Support services that were not medically necessary. As a result, 63% of reviewed providers are referred to the Division of Medical Assistance's Program Integrity unit for further evaluation. In **November 2007**, DHHS begins withholding payments. Between November 2007 and March 2009, more than $21 million is withheld from individual Community Support providers pending required paybacks and compliance with quality management standards. DHHS announces additional Post Payment Review sanctions in **January 2008.**

Rates (how much services cost)

R1 – April 2007: Rate for individual Community Support services decreases from $60.96/hour (original rate) to $40/hour. Final individual Community Support rate set at $51.28/hour.

R2 – June 2007: Rate for Psychosocial Rehabilitation increases from $2.34/15 minutes to $2.90/15 minutes. Rate becomes effective July 2007.

R3 – May 2008: Intensive In-Home and Multi-Systemic Treatment rates increase from $190 to $258.20/day for Intensive In-Home and $23.54 to $37.32/15 minutes for Multi-Systemic Treatment. Rates become effective June 2008.

R4 – July 2008: Session Law 2008-107 makes multiple adjustments to the provision of mental health care including a hard limit on the number of individual Community Support hours provided to adults (not more than 8 hours). In addition, DHHS is required to submit a State Plan Amendment to the Centers for Medicare and Medicaid Services for tiered rates. Intent is to control who provides individual Community Support services and reduce inappropriate provisions of the service. Tiered rates are implemented in January 2009.

R5 – September 2008: Rates for 14 enhanced services are changed. Rates for 11 services increase, effective October 2008. Rates for three services decrease, effective January 2009.

R6 – December 2008: Day Treatment rate increases from $31.25/hour to $34.75/hour. Rate becomes effective January 2009.

Provider Controls (managing the provider network)

P1 – June 2006: The provider endorsement and enrollment policy originally released in 2005 is amended in June 2006 and September, October, and **December of 2007** to reflect new provider requirements.

P2 – April 2007: DHHS announces conditional endorsement for providers will end by November 2007. Intent is to reduce the number of providers and thereby reduce costs and improve network quality. Conditional endorsements were originally announced in August 2005 and were intended to ensure provider network capacity.

P3 – November 2007: DHHS Secretary freezes endorsement and enrollment of new individual Community Support providers. Intent is to control quality and quantity of providers delivering individual Community Support services and thereby reduce utilization of the service. The freeze on endorsement and enrollment is extended in **July 2008**.

P4 – November 2007: DHHS announces providers, starting in December 2007, must identify who is providing individual Community Support services (i.e., qualified professionals or paraprofessionals). Adjustments and additional requirements are made in June, July, and **August 2008**.

Source: Program Evaluation Division based on data from the Division of Mental Health, Developmental Disabilities and Substance Abuse Services and the Division of Medical Assistance.